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FOR IMMEDIATE RELEASE:
January 27, 2004

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Westly Urges End To Safeway Strike

The following is the text of a letter sent January 27th from California State Controller Steve Westly to Safeway's Board of Directors urging them to end the grocers strike.

Dear Members of the Safeway Board of Directors:

I urge you to bring resolution to the Southern California grocers strike so that your workers continue to receive meaningful health care benefits and your customers have normal access to local stores. Extending the prolonged strike and lockout will only further erode your financial standing and brand image.

At Safeway, employees are on strike simply to maintain the health care benefits on which they and their families have relied. Safeway claims that health benefit cuts are required to compete with large retailers, such as Wal-Mart, which provide nominal health care benefits.

The lowest common denominator should not be the standard for an established member of the corporate community and I'm surprised Safeway, given its strong reputation with millions of California consumers, would treat its employees in this manner.

As a former executive at one of the largest and most competitive e-commerce companies in the nation, I recognize the need to streamline and operate with the highest efficiency. Good business and good employee relations are not mutually exclusive.

Indeed, I was disturbed to learn that while Safeway claims competitive challenges are driving its efforts to cut health benefits, recent news reports indicate that the same executives directly accountable for performance received millions of dollars in stock grants and awards. This is the wrong message to send to your workers and your shareholders.

In this era of increased corporate scrutiny, the call to accountability comes from regulators, the news media, government officials or from employees themselves. Safeway employees are bravely taking on corporate excess.

Safeway has a long history in California of good corporate citizenship in the communities it serves. It's time for your company to renew its commitment to its customers, its employees and to California's strong and time-honored principles of workers' rights.

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I urge the Safeway board to move swiftly to resolve this strike and overhaul your company's executive compensation system. I will work as a board member of CalPERS and CalSTRS, two of Safeway's largest shareholders, to bring about this change as well.

Please contact me if I can play a positive role in resolving this matter.

Sincerely,

Steve Westly

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